PHILIP MORRIS USA INTER-OFFICE CORRESPONDENCE
120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Distribution DATE: July 8, 1996

FROM: Market Information / Bruce Neidle

SUBJECT: INTEGRATED WEEKLY NIELSEN REPORT-WEEK ENDING 6/29/96

Promotional incidence (c-stores) will be published on Tuesday, July 9, 1996.

ALL OUTLETS COMBINED

Weekly:

PM's retail share advanced +0.4 points versus week-ago and +0.6 points in the past two weeks to 49.9%, with positive performance across all trade classes. Marlboro and Basic each posted +0.2 share point gains versus week-ago to 33.7% and 4.7%, respectively. Performance likely benefited from continued implementation of the "Marlboro Unlimited and Basic Summer Special" program. Marlboro and Basic money-off incidence increased to 41% and 30% of c-stores, respectively. The Discount category increased slightly (+0.1 point) this week to 26.4%, as Basic's gain more than offset Doral's loss (-0.1 point). Among the major competitive premium franchises, Winston, Salem and Newport incurred the largest weekly declines (of at least -0.05 points). Money-off incidence on Reynolds' major franchises (Camel, Winston and Doral) expanded to year-to-date high levels this week in c-stores.

- PM's share was up +0.4 points versus week-ago to 49.9%, with Marlboro and Basic posting gains of +0.2 points each while OPB was unchanged.
  - PM's share in drug stores and mass merchandisers surpassed last week's record high share levels with increases of +0.1 and +1.3 points to 51.3% and 61.1%, respectively.
- Marlboro's share advanced +0.2 points to 33.7% this week, with the gain concentrated in c-stores and mass merchandisers. The franchise likely benefited from increased money-off levels associated with the MUBSS program (incidence up +9 points to 41% of c-stores).
- OPB's share was unchanged this week at 9.1%.
- Basic's share of industry increased +0.2 points week-to-week to 4.7%, while its share of category was up +0.6 points to 17.9%. Basic's performance likely benefited from increased incidence of MUBSS money-off deals (+8 points to 30% of c-stores).
- The Discount category was up +0.1 point this week to 26.4%. Basic was the only discount franchise to post a share gain of at least +0.05 points, while Doral incurred the largest week-to-week loss (-0.1 point).

JUNE RETAIL SHARE PROJECTION

	PM-USA			MARLBORO		
Period	Proj.	Actual	Actual Vs. Proj	Proj.	Actual	Actual Vs. Proj
May		49.4			33.3	
6/1/96	49.5	49.6	0.1	33.4	33.4	0.0
6/8/96	49.6	49.1	-0.5	33.3	33.1	-0.2
6/15/96	49.7	49.4	-0.3	33.3	33.3	0.0
6/22/96	50.0	49.5	-0.5	33.7	33.4	-0.3
6/29/96	50.2	49.9	-0.3	34.0	33.7	-0.3
June	49.8	49.5	-0.3	33.5	33.4	-0.1

EXPLANATION

6/29/96	Share likely influenced by continued implementation of the MUBSS program.
6/22/96	Share likely influenced by initial implementation of money-off deals associated with the MUBSS program. Share effects in c-stores are lagging implementation of the promotion due to the timing of the audit.
6/15/96	Share likely influenced by the first full week of sales associated with the PBSS program and a rebound from last week's "first week of the month" decline.
6/8/96	Share likely influenced by ongoing depletion of Marlboro promotional support and the "first week of the month" effect.
6/1/96	Share possibly influenced by continued redemption of "Marlboro May Offensive" direct mail coupons and expanded/continued availability of free product offers for Virginia Slims and Basic.

2061551640

Source: https://www.industrydocuments.ucsf.edu/docs/xrcy0004

INTEGRATED WEEKLY NIELSEN REPORT
July 8, 1996

ALL OUTLETS COMBINED (continued)

Quarterly:

PM's retail share reached 49.6% in the second quarter 1996, representing a gain of +0.9 points versus quarter-ago and +3.0 points versus year-ago. Company performance was driven primarily by Marlboro, with the franchise's share at 33.4%, up +1.1 points versus last quarter and +3.5 points versus year-ago. Marlboro likely benefited from continued promotional support including MBSS retail offers and coupon redemption associated with the "Marlboro May Offensive" direct *mail* program. The Discount category declined -0.6 points versus the previous quarter and -2.7 points versus year-ago to 26.5% (its lowest quarterly level since 1st quarter 1992).

1st Half 96:

PM's 1st half 1996 retail share was +2.1 points above year-ago to 49.2%. Marlboro posted a +2.6 point gain over last year to 32.9%. Marlboro's advance coupled with positive OPB performance helped drive PM's share of the Premium category up +1.8 points versus year-ago to 57.3%. The Discount Category trailed year-ago by -2.6 points to 26.9%.

Note: Comparisons versus year-ago should be viewed cautiously due to the disruption of business trends that occurred last May/June.

CONVENIENCE STORES

Weekly:

After incurring slight declines last week, both PM and Marlboro advanced this week (+0.4 and +0.3 points) to 50.6% and 35.6%, respectively. Basic posted a +0.2 point share gain versus week-ago to 4.7%. Due to the timing of the c-store audits (which are concentrated in early to mid-week), this represents the first full week of sales associated with the MUBSS program. The Discount Category increased slightly this week, up +0.1 point to 26.8%, with Basic and RJR PL realizing the largest weekly gains. Share performance among the major competitive premium franchises was generally flat to declining versus week-ago.

- PM's retail share increased +0.4 points this week to 50.6%, with Marlboro and Basic accounting for the gain.
- Marlboro's share advanced +0.3 points versus week-ago to 35.6%, likely benefiting from increased levels of MUBSS money-off support (up +9 points to 41% of c-stores).
- PM OPB's share remained relatively stable this week at 8.1%.
- Basic's share increased +0.2 points week-to-week to 4.7%, while its share of the Discount category increased +0.5 points to 17.7%. Basic's money-off incidence increased +8 points to 30% of c-stores this week.
- The Discount category was up +0.1 point this week to 26.8%. Among the major discount entries, Basic and RJR PL gains more than offset Doral and Montclair declines.
- Among the competitive premium products, Newport incurred the largest weekly share decline, down -0.2 points to 5.5%.

Quarterly:

PM's quarterly c-store share was 50.5%, up +0.8 points versus 1st quarter 1996 and up +2.6 points versus year-ago. Marlboro's retail share (35.7%) outpaced last quarter and year-ago by +1.1 and +3.2 points, respectively. The Discount category was at 26.9%, trailing the previous quarter by -0.8 points and down versus year-ago by -2.9 points.

1st Half 96:

PM's 1st half c-store share gained +1.8 points versus year-ago to 50.2%, with Marlboro accounting for the majority of the gain (up +2.4 points to 35.2%). The Discount Category declined -2.8 points this half versus year-ago to 27.3%.

Note: Comparisons versus year-ago should be viewed cautiously due to the disruption of business trends that occurred last May/June.

2061551641

Source: https://www.industrydocuments.ucsf.edu/docs/xrcy0004

INTEGRATED WEEKLY NIELSEN REPORT
July 8, 1996

SHARE PERFORMANCE SUMMARY
THROUGH JUNE 1996

ALL OUTLETS COMBINED

	SECOND QUARTER '96			FIRST HALF '96	
	2Q '96 Share	Diff Vs Qtr-Ago	Diff Vs Year-Ago	1HF '96 Share	Diff Vs Year-Ago
Philip Morris	49.6	0.9	3.0	49.2	2.1
Marlboro	33.4	1.1	3.5	32.9	2.6
OPB	9.0	-0.1	0.1	9.0	0.1
PM Premium SOC	57.8	0.9	2.9	57.3	1.8
Basic	4.6	0.1	0.1	4.6	0.1
Basic SOC	17.5	0.7	2.1	17.1	1.8
Other PM Discount	2.5	-0.2	-0.8	2.6	-0.7
Total Discount Category	26.5	-0.6	-2.7	26.9	-2.6

CONVENIENCE STORES

	SECOND QUARTER '96			FIRST HALF '96	
	2Q '96 Share	Diff Vs Qtr-Ago	Diff Vs Year-Ago	1HF '96 Share	Diff Vs Year-Ago
Philip Morris	50.5	0.8	2.6	50.2	1.8
Marlboro	35.7	1.1	3.2	35.2	2.4
OPB	7.9	0.0	0.0	7.9	0.2
PM Premium SOC	59.7	0.7	2.2	59.3	1.3
Basic	4.8	0.0	0.1	4.8	0.0
Basic SOC	17.7	0.5	2.0	17.4	1.7
Other PM Discount	2.2	-0.2	-0.8	2.3	-0.7
Total Discount Category	26.9	-0.8	-2.9	27.3	-2.8

Please note, share differences are rounded based on two decimal precision.

2061551642

Source: https://www.industrydocuments.ucsf.edu/docs/xrcy0004